

committee's permission, I would like to present a list of our members for the record. (See p. 4510.)

The CHAIRMAN. Without objection, that will be included.

Mr. TURCHAN. These companies manufacture over 80 percent of the benzenoid chemicals produced in the United States. They include benzenoid intermediates, which are used in making finished products, and the following principal classes of finished products: dyes, pigments, pesticides, plastic materials, photographic chemicals, medicinals and pharmaceuticals, and flavor and perfume materials. These chemicals derive their tariff protection from subparts B and C, part 1, Schedule 4 of the Tariff Schedules of the United States—protection which would be further drastically reduced under the "separate package" agreement here under consideration.

THE INDUSTRY

In 1964 the domestic industry produced over 4,000 different benzenoid chemicals, with total sales of almost \$4 billion. I note parenthetically that the Government said there were 750,000 benzenoid chemicals and for that reason administration of ASP is administratively complicated. Someone must have slipped a decimal or two for there are about 4,000 commercial benzenoids and possibly 2,000 other products in research and development. Total capital investment for the production of these chemicals exceeds \$4 billion and the industry employs over 115,000 persons in the production and sale of benzenoid chemicals. The total payroll attributable to benzenoid chemicals is estimated to be in excess of \$700 million per year.

The benzenoid industry is research minded and is notable as a new product industry. Five percent of each sales dollar is spent on research and approximately 100 new benzenoid products are introduced commercially each year. Although they account for only about 10 percent of U.S. chemical production, the benzenoid industry has spawned many new products and some completely new industries. Among the more well-known products of benzenoid research are synthetic fibers, plastics, Corfam, sulfa drugs, and DDT. Benzenoid chemicals are quite rightfully referred to as the "seed bed" of the U.S. chemical industry.

Mr. Gerstacker pointed out the international involvement of the chemical industry. He also pointed out the fine trade balance it has produced. This is indeed a most favorable record and, quite frankly, one of which we are proud.

CHEMICAL INDUSTRY AND INTERNATIONAL TRADE

The chemical industry is very much involved in international trade and investment. It is truly an international industry. U.S. chemical exports are almost three times as much as our chemical imports. The chemical industry balance of trade in 1967 was \$1.8 billion accounting for half of the U.S. balance of trade of \$3.6 billion.

This is indeed a most favorable record and quite frankly one of which the industry is proud. Nevertheless, because the United States is a high-cost country compared to foreign producers, the trade tide is running strongly against us. We find ourselves in an increasingly dis-